



OFFICE OF INSPECTOR GENERAL U.S. Agency for International Development

MEMORANDUM

DATE: March 28, 2023

TO: USAID/India Mission Director, Veena Reddy

FROM: USAID OIG Asia Regional Office Assistant Director, Rhonda M. Horried /s/

SUBJECT: Audit of the Accountability Leadership by Local Communities for Inclusive, Enabling Services Project in India Managed by Resource Group for Education and Advocacy for Community Health, Award 72038619CA00004, April 1, 2021 - March 31, 2022 (5-386-23-010-R)

This memorandum transmits the final audit report on the schedule of expenditures of USAID awards for the Accountability Leadership by Local Communities for Inclusive, Enabling Services (ALLIES) project implemented in India by Resource Group for Education and Advocacy for Community Health (REACH). REACH contracted with the independent audit firm Bansal & Co. LLP to conduct the audit. The audit firm stated it performed its audit in accordance with generally accepted government auditing standards. However, it did not have an external peer review or a continuing professional education program that fully satisfy the standards' requirements. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on REACH's schedule of expenditures of USAID awards, the effectiveness of its internal control, or its compliance with the award, laws, and regulations.¹

The audit objectives were to (1) express an opinion on whether the schedule of expenditures for the period audited was presented fairly, in all material respects; (2) evaluate REACH's internal controls relevant to the project; (3) determine whether REACH complied with agreement terms and applicable laws and regulations. The audit covered revenues and costs incurred of \$1,066,238 and \$1,092,949, respectively, for the audited period.

The audit firm concluded that the schedule of expenditures of USAID awards presented fairly, in all material respects, program revenues and costs incurred under the award for the audited period. The audit firm reported that it did not identify any questioned costs, significant deficiencies or material weaknesses in internal control, or instances of material noncompliance.

¹ We reviewed the audit firm's report for conformity with professional reporting standards. Our desk reviews are typically performed to identify any items that need clarification or issues that require management attention. Desk reviews are limited to review of the audit report itself and exclude review of the auditor's supporting working papers; they are not designed to enable us to directly evaluate the quality of the audit performed.

During our desk review, we noted an issue which the audit firm will need to address in future audit reports. We presented this issue in a memo to the controller dated March 28, 2023.

The report does not include any recommendations for your actions.

OIG does not routinely distribute independent public accounting reports beyond the immediate addressees because a high percentage of these reports contain information restricted from release under the Trade Secrets Act, 18 U.S.C. 1905 and Freedom of Information Act Exemption Four, 5 U.S.C. 552(b)(4) ("commercial or financial information obtained from a person that is privileged or confidential").